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October 29, 2008

The Honorable Henry R. Paulson, Jr.
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Ben S. Bernanke
Chairman
Federal Reserve System
The Board of Governors
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Secretary Paulson and Chairman Bernanke:

Under the provisions of the Emergency Economic Stabilization Act (EESA), the U.S. Department of Treasury has new authority to act to stabilize financial and capital markets and strengthen the nation's economy. While all sectors of the economy are experiencing difficult times, the automotive industry is particularly challenged. As a result, the financial well-being of other major industries and millions of American citizens are at risk. Immediate action is needed to address this crisis.

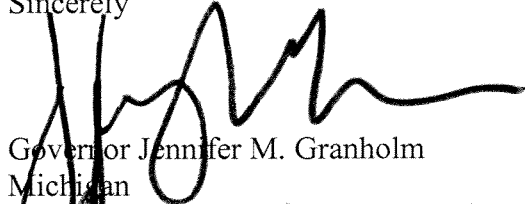
In the United States alone, U.S. automakers directly employ about 355,000 workers, and another 4.5 million Americans work in sectors that are supported by the auto industry. The auto manufacturers are the largest purchasers of U.S. manufactured steel, aluminum, iron, copper, plastics, rubber, electronics, and computer chips. Hundreds of automotive suppliers in all 50 states rely on the US automakers for their core business. Last year alone, the auto industry purchased \$156 billion from U.S. auto parts suppliers. Should those suppliers' work be disrupted, foreign automakers will feel the impacts as well. In addition, more than two million Americans receive health care benefits from one of the three U.S. automakers, and 775,000 retirees and their survivors receive pension payments. These workers, retirees, their families, and the communities in which they live are all at risk if the credit crisis cannot be alleviated quickly.

Because most new vehicles sold to consumers in the United States have been purchased with financing, the current freeze in the credit markets has resulted in a situation where consumers cannot make new purchases and vehicle sales fall. In September, new vehicles sales in the United States fell 26.6 percent, and could fall by more than 30 percent in October, which will result in the lowest annualized rate since 1983. The auto industry; their network of suppliers, vendors, dealers, and other businesses; and the communities that rely on those businesses face unimaginable challenges – challenges we urge you to help address.

Governors are doing their best to manage the economic crisis by acting resourcefully, but lower revenue streams and growing numbers of Americans without access to health care or unemployment benefits threatens to create an unmanageable disaster at the state level.

As Governors, we appreciate your recent efforts to provide liquidity to the credit and financial markets, and urge that you use your broad regulatory authority to ensure that your continued actions help promote liquidity within the U.S. auto industry. This industry is vital to millions of citizens in our states and across the country. Thank you for your attention and urgent action to address this important matter.

Sincerely



Governor Jennifer M. Granholm
Michigan



Governor Steven L. Beshear
Kentucky



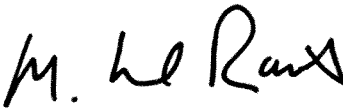
Governor Ted Strickland
Ohio



Governor Ruth Ann Minner
Delaware



Governor David A. Paterson
New York



Governor M. Michael Rounds
South Dakota